

Where the money for public transport comes from

\$1.7

BILLION

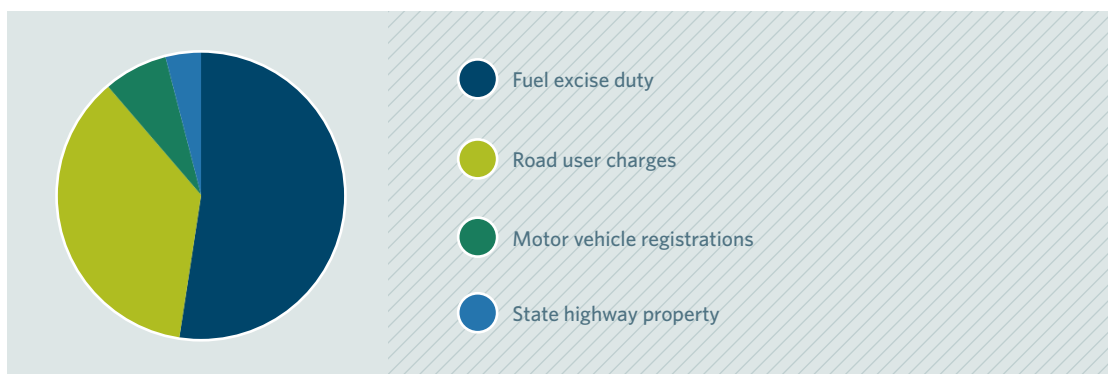
Total investment in public transport during 2012-15

The NZ Transport Agency's investment in land transport comes mainly from the National Land Transport Fund (NLTF) - a three-year funding pool, currently at \$9.3 billion. Other sources include local authorities, developers, landowners, and the Crown (government). These funding sources are combined and paid out on a three yearly basis through the National Land Transport Programme (NLTP).

Who contributes to the NLTF?

Anyone who owns or runs a motor vehicle invests in land transport, and therefore in public transport. New Zealand's road users contribute to the \$9.3 billion NLTF through fuel excise duty (around 52%), road user charges (39%), and motor vehicle registrations (6%). The rest comes from people who lease or buy state highway property. By law, NLTF money has to be invested in land transport.

Figure 1: National Land Transport Fund inputs



Revenue going into the NLTF can vary from year to year depending on the economy, petrol prices, and government decisions on transport related levies and charges. These changes can affect what is invested, particularly in new and improved state highway infrastructure.



How we invest through the NLTP

Investments of more than \$1.7 billion will be paid out through the 2012-15 NLTP for public transport services, infrastructure and planning. This amount is over 15% of the total NLTP, and includes the money from our regional and territorial authority partners.

We pay out 50% of the subsidy for urban buses, and between 40% and 60% of the subsidy for the Total Mobility scheme (help for people with impairments who cannot use public transport).

Other investment sources

Other sources of funding include:

- developer contributions - from developers, to offset the effects of their developments on land transport infrastructure
- betterment contributions - from landowners that benefit from road improvements
- other contributions from councils, community groups or other entities, eg funding from ACC
- money from road tolls eg, the Northern Gateway Toll Road
- public transport fares and advertising.

How local authorities (councils) contribute

Local authorities contribute a share by gathering money through local rates and other sources such as developer contributions (eg payments levied on subdivisions or land developments).

Crown appropriations

In addition to the NLTF, the Crown funds some of our activities directly through the Ministry of Transport. We manage these funds for the Ministry, and share them between activities including fare concessions for retired New Zealanders and veterans through the SuperGold Card scheme.

Although these funds are not part of the NLTF, we manage them in much the same way - applying criteria, prioritising, programming and reviewing them to make sure we are transparent about value for money investments.

Figure 2: The NZTA's land transport planning and funding regime

